



Paychest, Inc.

(an Arizona corporation)

CUSIP: 704289107 SYMBOL: PYCT

1B GLAMOUR COURT, 1 DISCOVERY BAY ROAD, DISCOVERY BAY
LANTAU, HONG KONG SAR

Tel: 714 274 7206
info@paychest.com

www.paychest.com

ANNUAL REPORT

Annual Company Information and Updated Disclosure Statement December 31, 2011

March 22, 2012

Current Information Regarding

Paychest, Inc.

The following information is provided to assist securities brokerage firms and other market participants with current information regarding Paychest, Inc. (“we,” “us,” “our”, “Paychest” or the “Company”). This Company information is intended to follow the Alternative Reporting Standard Guidelines for Annual Reporting Obligations as published by the OTC Markets Group, Inc.

Part A General Company Information

ITEM 1. THE EXACT NAME OF THE ISSUER.

The exact name of the issuer is Paychest, Inc. The Company has not changed its name in the past five (5) years.

ITEM 2. THE ADDRESS OF THE ISSUER’S PRINCIPAL EXECUTIVE OFFICES.

1B Glamour Court
1 Discovery Bay Road
Discovery Bay
Lantau
Hong Kong SAR
P.R. China
Tel: +1 714 274 7206
Email: info@paychest.com

ITEM 3. THE JURISDICTION AND DATE OF THE ISSUER’S INCORPORATION.

We were incorporated in the State of Arizona on May 4, 2000 under the name Mellon Research Inc. and changed our name to Paychest, Inc. on October 23, 2006.

Part B Share Structure

ITEM 4. THE EXACT TITLE AND CLASS OF SECURITIES OUTSTANDING.

We have shares of Common Stock and Preferred Stock issued, with the Preferred consisting of Class A and Class B shares.

Our trading symbol for our Common Stock is “PYCT” and the CUSIP for our Common Stock is 704289107. Neither class of our Preferred Stock is traded.

ITEM 5. PAR OR STATED VALUE AND DESCRIPTION OF THE SECURITY.

Our Common Stock has one vote per share, with no pre-emptive rights and dividends only when, as and if declared by the Company’s board of directors (the “Board”).

Neither class of Preferred Stock has dividend rights, except when, as and if declared by the Board. Our Preferred Class A has 500 votes per share, voting with the Common Stock on all matters, no conversion rights, first liquidation preference \$0.02 per share and no other rights.

Our Preferred Class B has no voting rights, is convertible to Common Stock, depending on the rate specified in the Preferred Share Agreement, at either \$0.0001 or at prior day closing price as listed on OTCmarkets.com, and has liquidation preference of \$1.00 behind Preferred Class A but before Common Stock.

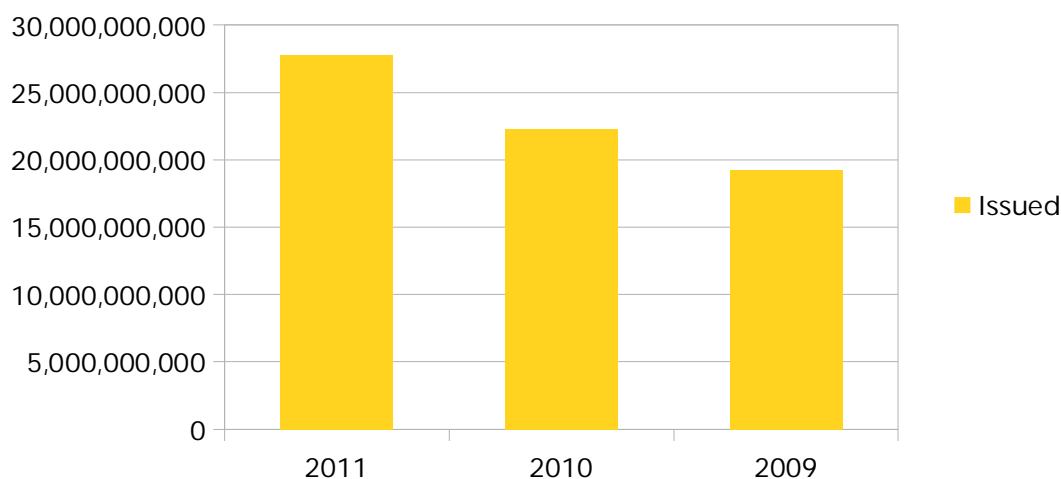
There are no sinking fund provisions.

There are no other material rights of common or preferred stockholders

There are no provisions in the Articles of Incorporation, Articles of Amendment, or By-Laws which would delay or prevent a change of control.

ITEM 6. THE NUMBER OF SHARES OR TOTAL AMOUNT OF SECURITIES OUTSTANDING FOR EACH CLASS OF SECURITIES AUTHORIZED.

Common Stock Issued & Outstanding



Preferred Class A & B - Issued

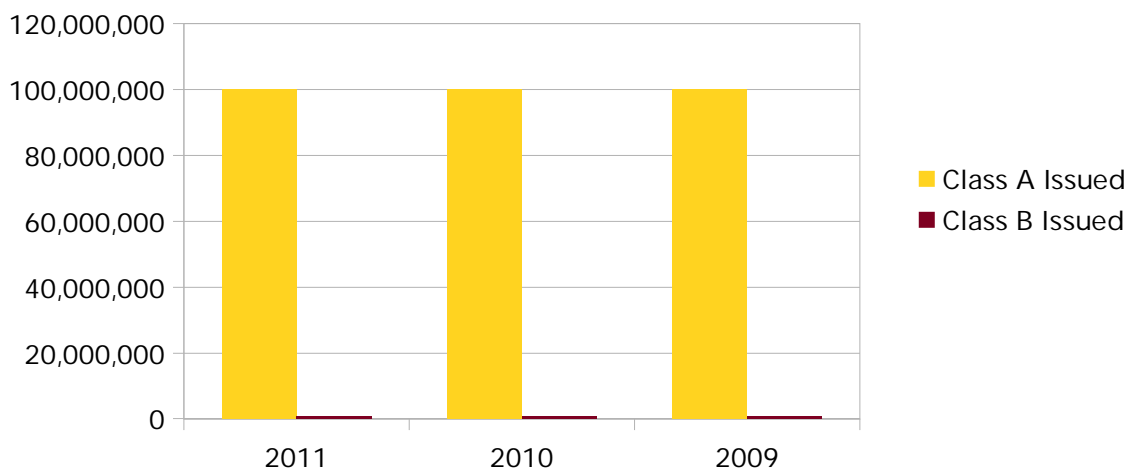


Table detail.

Dec 31, 2011	Issued & Outstanding	Authorized	Tradable	Shareholders of Record
Common	27,785,264,936	28,000,000,000	Yes	40
Preferred Class A	100,000,000	900,000,000	No	1
Preferred Class B	920,000	900,000,000	No	21

Dec 31, 2010	Issued & Outstanding	Authorized	Tradable	Shareholders of Record
Common	22,250,332,340	25,000,000,000	Yes	31
Preferred Class A	100,000,000	100,000,000	No	1
Preferred Class B	800,000	100,000,000	No	11

Dec 31, 2009	Issued & Outstanding	Authorized	Tradable	Shareholders of Record
Common	19,250,332,340	25,000,000,000	Yes	31
Preferred Class A	100,000,000	100,000,000	No	1
Preferred Class B	800,000	100,000,000	No	11

ITEM 7. TRANSFER AGENT DETAILS

The Company's Transfer Agent is:

Transfer Online, Inc.TM
512 SE Salmon Street
Portland OR 97214
Tel: 503.227.2950
Fax: 503.227.6874

Transfer Online is registered under the Securities Exchange Act of 1934, as amended and registered as a stock transfer agent by the United States Securities and Exchange Commission.

Part C Business Information

ITEM 8. THE NATURE OF THE ISSUER'S BUSINESS

A. Business Development

Our Company is organized as a corporation.

We were incorporated in Arizona on May 4, 2000 under the name Mellon Research, Inc. Our fiscal

year end is December 31.

The Company has never been in bankruptcy, receivership or any similar proceeding since inception.

In the last three years, there has been no reclassification, merger, consolidation, or sale of a significant amount of assets. Commencing in November 2011, the Company purchased 200,000,000 shares of Common Stock at prices ranging from \$0.0001 to \$0.0002.

In the last three years, the Company has not defaulted on any note, loan, lease or other indebtedness or financing arrangement where payments were required.

On September 28, 2010 Mr. Peter Coorey was appointed President and Chief Executive Officer of the Company by the Board, replacing Mr. Lawson Pillay. Mr. Pillay resigned from the Board October 28, 2010. Also on September 28, 2010, several new members were appointed to the Board comprising, at the time Mr. Colin Lu (Guang) as Director and Secretary, and Mr. Henry Soo as a Director. Mr. Soo later resigned on August 10, 2011 and was replaced by Mr. Vivian Phillips, who continues to serve as a Director.

The Company has increased its outstanding Common Stock from 19,250,331,340 in December 2009 to 22,250,332,340 in December 2010 and 27,785,264,936 in December 2011. Class B Preferred shares increased from 600,000 on December 31, 2009 to 800,000 on December 31, 2010 and to 920,000 on December 31, 2011.

The Company does not have pending, and does not anticipate any stock split, stock dividend, recapitalization, merger, or acquisition. The Company intends to spin off Paychest, (Oregon) Inc, a wholly owned subsidiary, in the future.

The Company's securities have not been delisted by any securities exchange.

The Company has no current or pending legal proceedings, or administrative actions, except as disclosed below.

In August 2011, the British Columbia Securities Commission (the "BCSC") issued a Cease Trade Order against Paychest, Inc. stock in British Columbia, Canada citing the Company's "significant connections" to British Columbia, Canada. This effected shareholders that reside in British Columbia, Canada; less than 1% of the Company shareholder base. The Company refutes the allegations of the BCSC and their attempts at extraterritorial jurisdiction but immediately severed all ties with British Columbia. The Cease Trade Order expires one year after all ties are severed.

In October 2011, LIG the group of investors arranged or led by Liani Holdings Ltd. exchanged \$300,000 of debt for convertible preferred shares of the Company, convertible at \$0.0001 no earlier than 12 months from the date of issue. The preferred shares were issued at a discount of 25% to compensate the LIG investors for a) a non-cash payment and b) the absence of a coupon. Their loan normally attracts 15% interest.

In March 2009, Carter Care Industries obtained a default judgment against the Company for \$4,000,000. In 2011, the Company satisfied an agreed settlement and Carter Care has filed a satisfaction of judgment.

On September 28, 2010, Mr. Lawson Pillay resigned as President and CEO of the Company. Since then, the Company has requested, but not received certain documents and a payments system owned

by the Company, and believed to have been in Mr. Pillays possession. Efforts are being made to recover these items.

Former management did not update the Articles of Incorporation and the Company will call a shareholders meeting in the near future to amend and update technical aspects of the Articles of Incorporation.

B. Business Of Issuer

Paychest is an Arizona corporation that is primarily in the business of licensing environmentally friendly or non-polluting technologies, developing, and commercializing them.

The Company's first product in 2006 was an electronic payments system. In 2008, we acquired licensing rights to Flushaway, an environmentally friendly range of women's sanitary products with demonstrated evidence of consumer and retailer acceptance and a history of sales in the USA, UK, South Africa, Australia and Hong Kong. The new improved product is in production as announced November 10, 2011, with our production partner, Xinpro Manufacturing, in China. We have registered a new Paychest owned, brand name ("Mibella"), and the Company is currently negotiating purchase orders. The Company anticipates sales in the retail and institutional sectors and across a range of territories although the initial focus is on North America and Europe. Our product provides the unique features of being both flushable and biodegradable eliminating disposal issues for the consumer.

The Company has identified several other environmentally friendly and non-polluting technologies that could be licensed and commercialized that will be pursued as the current project starts to achieve sales.

Other Information

The Company's primary SIC code is 5110.

The Company made modest sales through use of its payments system. Sales of this product and associated services were discontinued. The Company is now producing an environmentally friendly range of biodegradable and flushable women's sanitary products. We plan to transfer the technology to other products such as infant diapers, adult protection and other consumer absorbent products. Manufacturing is carried out in China with our manufacturing partner, Xinpro Manufacturing. The Company has registered brand names with the Food and Drug Administration and is currently negotiating purchase orders for its Mibella and Flushaway® products.

The Company is not now, and never has been, a "shell company".

Paychest (Oregon) Inc. is a subsidiary of the Company. The financial report for Paychest (Oregon) is consolidated into the attached financial statements.

The Company is not aware of any government regulation that would have an effect on Paychest's new business of environmentally friendly, flushable and biodegradable women's sanitary products. However, as the product is being manufactured and sold internationally, it is not possible to foresee all potential regulation or the resulting business impact.

More than 75% of the Company's efforts over the past two years have been focused on the areas of

research and development and manufacturing set up. In November 2011, the Company announced the start of commercial production which saw the end of these pre-production activities for the first products to be launched. Further research and development will be required as new products are prepared for market.

The cost of compliance with environmental laws is extremely low, or not distinctive enough to quantify. Our products are designed to be environmentally friendly. We utilize environmentally compliant subcontractors for our manufacturing. To date, the cost of any compliance is built into the production cost, shipping cost, or other costs charged by our suppliers.

The Company has no full time employees.

ITEM 9. THE NATURE OF PRODUCTS OR SERVICES OFFERED

The Company's current project is Flushaway.

Paychest has an exclusive manufacturing license to patents, trademarks, and select marketing rights to Flushaway® that allows us to exclusively market in many countries. Flushaway® is a unique range of feminine hygiene products manufactured in a patented process that makes our products flushable, biodegradable and dispersible under the most stringent environmental standards. Flushaway® technology is used in our range of the trademark applied Mibella women's sanitary products. Some research and development effort is required to adapt the technology for a range of biodegradable and/or flushable babies' diapers and biodegradable adult incontinence products.

Retailer and consumer product acceptance of the sanitary products is already demonstrated, by the previous product manufacturer and sales organization, who sold Flushaway® sanitary products in the United States, United Kingdom, South Africa, Hong Kong and Australia.

On the retail shelf, Flushaway® sanitary products are cost competitive to majors in the industry, delivering more features for the same price.

The target market size for our sanitary products is estimated at \$10 billion worldwide (at retail) with the sanitary napkins (pads) market at \$7 billion and the pantiliner market at \$3 billion.

Since licensing Flushaway® a new product design was adopted reducing Cost of Goods, increasing margins, and providing better returns.

Product samples have been manufactured and distributed and with the addition of Mibella product branding has been improved. The Company has started commercial production and is focusing on sales.

The Company distributes its products by either:

- i) shipping internationally to the Customer's destination port. The customer receives the goods at port addressing any customs and duty required before delivering them to the local (retail) sales or distribution point. Or,
- ii) shipping internationally to a destination port, managing the process through customs, and completing delivery to the customer's door. The customer then manages the placement of the product to the local (retail) sales or distribution point.

The Company is pursuing sales in a number of markets globally.

Flushaway and Mibella are unique in the women's sanitary products industry addressing disposability by using the most convenient, clean and hygienic method of disposing used product. The single biggest challenge the woman consumer faces is how to dispose of used product at the end of its useful life. Our product eliminates the problem of unsightly used product; eliminates the fear, stigma and embarrassment for young women of a product that might be seen when at a boyfriend's or living in a home with many male brothers; eliminates the distasteful problem of disposing of used product in unclean waste bins in women's public washrooms, and provides the consumer the most convenient and easiest place of disposal.

In addition to all this, Mibella and Flushaway are biodegradable eliminating the fear of downstream problems such as water or soil contamination.

Lastly, we do this at a retail price that is comparable to major brands in the industry, so offering the consumer "more for less".

Materials to manufacture of our products are available globally. Currently, our principal supplier is Xinpro Manufacturing in China.

Our plan is to sell our products to a wide range of retail and institutional customers to mitigate the risks of being dependent on one or a few customers.

The Flushaway name and technology is licensed to the Company under a five (5) year Agreement that expires in July 2012. We have received confirmation from the licensor of their intent to renew the Agreement for a further five years and the Company is negotiating the deferral of the conversion of the note payable. Under the terms of the Agreement the Company is to pay a royalty of 5% of the product cost, and a note payable of \$5,000,000. The Company has trademarked and owns "Mibella", a new brand name for the product.

The product requires registration with the appropriate regulatory authorities but generally does not require approval of regulators or of governments. Mibella and Flushaway are both registered with the US Food and Drug Administration. The Company is researching other regulatory bodies around the world to prepare registration in anticipation of sales.

ITEM 10. THE NATURE AND EXTENT OF ISSUER'S FACILITIES

The Company is based in an office in Lantau, Hong Kong and operates from offices around the world including Texas, USA and Shanghai, China. To date the Company has not paid for the use of office space in Hong Kong or other locations. The Company is using a contract manufacturer and does not own or lease any manufacturing facilities. The Company intends to use leased warehouse facilities in the future, if necessary.

Part D Management Structure and Financial Information

ITEM 11. THE NAME OF THE CHIEF EXECUTIVE OFFICER, MEMBERS OF THE BOARD OF DIRECTORS, & CONTROL PERSONS

A. Officers and Directors

Peter G. Coorey – President & Chief Executive Officer and Chairman of the Board of Directors 2010 to present – President & CEO Paychest, Inc.

2010 Chairman Edwin Stevens Foundation, a fund raising organization dedicated to offsetting ex-insurance medical costs in local community children.

2006 to present - Joint Managing Director and Marketing Director GreenPowerTek International (Hong Kong) a developer /owner/operator of proprietary renewable fuel technologies.

2006 to 2010 Director and Marketing Director, Battery Angel International (Australia and Hong Kong). BAI is a company responsible for the International marketing and sales of various patented motoring related products and services.

2006 – 2007 Business Development Manager/Online Marketing Manager- DatatraceDNA/DataDot Technology (Hong Kong & China) Ltd. Quarry Bay Hong Kong. DataDot was the official Licensee of patented Australian Govt (CSIRO) anti-counterfeit technology, as well as Asia representative for DataDotDNA physical asset security systems.

Peter Coorey owns \$44,500 of Preferred Class B shares convertible to common stock at \$0.0001.

Peter Coorey is currently paid \$2500 per month until revenues commence whereupon the Board will increase his monthly remuneration.

1B Glamour Court, 1 Discovery Bay Road, Discovery Bay, Lantau, Hong Kong SAR.

Colin Lu (Guang) – Company Secretary and Member of the Board of Directors

2010 to present – Secretary and Director of Paychest, Inc.

2009 to present – Owner and President, Medical & Laboratory Supplies and Installation (Shanghai) Company

2006 to 2009 – Owner and President, Medical & Laboratory Supplies and Installation (Guangdong) Company

Colin Lu owns \$39,500 of Preferred Class B shares convertible to common stock at \$0.0001 and receives compensation of \$500 per month reviewable upon first revenues of the Company.

Guoji Dasha, Suite 606, 88 Guang Xin Lu, Putuo, Shanghai, Peoples Republic of China;

Vivian Phillips – Member of the Board of Directors

2011 to present – Director of Paychest, Inc.

2009 to present – Dragon Kilns Asia, Logistics and Installations Manager, Suzhou, PR of China

2008 to 2009 – Drayton Beaumont Asia Ltd, Installations Manager, Foshan, PR of China

2001 to 2007 – Drayton Beaumont UK Ltd, Stoke on Trent, UK on location in Indonesia, India, Bangladesh

Vivian Phillips owns \$5,000 of Preferred Class B shares convertible to common stock at \$0.0001 and receives compensation of \$500 per month reviewable upon first revenues of the Company.

Room 104, No. 3 Building, Horizon SIP, 188 Xinghai Jie, Suzhou, Peoples Republic of China

B. Legal and Disciplinary History

None of the foregoing persons have, in the last five years, been the subject of:

A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding

(excluding traffic violations and other minor offenses);

The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

There are no family connections in the Company and there have been no related party transactions.

ITEM 12. FINANCIAL; INFORMATION FOR THE ISSUER'S MOST RECENT FISCAL PERIOD

The financial statements are attached at the end of this Annual Information Statement.

ITEM 13. SIMILAR FINANCIAL INFORMATION FOR TWO PRECEDING FISCAL YEARS

The financial statements for the years ending December 31, 2010 and December 31, 2009 were uploaded to www.OTCMarkets.com on April 20, 2011 and December 15, 2010 respectively.

ITEM 14. BENEFICIAL OWNERS

Common Stock: There are no shareholders known to the Company who beneficially own five percent (5%) or more of the Company's Common Stock.

Directors & Officers

Name	Title	Common Shares	Preferred Class B Shares
Peter Coorey	President & CEO	0	44,500
Colin Lu (Guang)	Secretary	0	39,500
Vivian Phillips	Director	0	5,000

Registered Name of Preferred Class A Holder	Director(s)	Preferred Class A Shares
Blueland Shipping & Trading Ltd	David Wells, Sarath Disanayake 17G Greenbelt Court Discovery Bay Lantau, NT Hong Kong	100,000,000

Registered Name of Preferred Class B Holder	Director(s)	Preferred Class B Shares
Cardiff Bay Holdings Ltd	Charles Xing Feung, Simon Tan Suite 1206, 93 Wing Lok Street Central Hong Kong SAR	90,000
Liani Holdings Ltd	Andy Lee, Sophia Yang 19D Greenery Court Discovery Bay Road Lantau Hong Kong	90,000
Western Capital Alliance Group Inc.	Richard MacNeil 8345 NW 66 Street, Suite A5083 Miami FL 33166	90,000

ITEM 15. OUTSIDE PROVIDERS

Counsel Christopher P Flannery Esq
4 Hillman Drive, Suite 104
Chadds Ford, PA 19317
Tel: (610) 361-8016

Accountant Kuch Consulting, Inc.
36 South 9th Street, #805
Minneapolis, MN 55402
Tel: (763) 242-2055

Investor Relations Tom Hands
9 Benshire Drive
Scarborough
Ontario
M1H 1M1
Canada
Tel: (416) 619-5242

Tobie Oliver
3400 Craig Drive, #413
McKinney, TX 75070
Tel: (714) 274-7206

Consultant: John Banks
913 Bin Jiang Dong Lu
Guangzhou
Peoples Republic of China
Tel: 186 0201 9402

ITEM 16. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This disclosure report contains a number of forward-looking statements, including statements about our financial conditions, results of operations, earnings outlook and prospects. Forward looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate,"

"intend," "outlook," "estimate," "forecast," "project," "will," "seek" and other similar words and expressions. The forward-looking statements involve certain risks and uncertainties. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty. The execution of the company's business plans are predicated upon receipt of financing, which may never be obtained. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth below in this disclosure statement under the heading "Risk Factors." Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this disclosure statement.

A. Plan of Operation

Paychest, Inc., an Arizona corporation with offices in Hong Kong, is primarily in the business of licensing environmentally friendly or non-polluting technologies, developing, and commercializing them.

The Company's first product in 2006 was an electronic payments system.

In 2008 we acquired licensing rights to Flushaway, an environmentally friendly range of women's sanitary products with demonstrated evidence of consumer and retailer acceptance and a history of sales in the USA, UK, South Africa, Australia and Hong Kong. The new improved product is in production as announced November 10, 2011, with our production partner, Xinpro Manufacturing, in China. We have registered a new Paychest owned, brand name, and the Company is currently negotiating purchase orders. The Company anticipates sales in the retail and institutional sectors and across a range of territories although the initial focus is on North America and Europe. Our product provides the unique features of being both flushable and biodegradable eliminating disposal issues for the consumer.

The Company has identified several other environmentally friendly and non-polluting technologies that could be licensed and commercialized that will be pursued as the current project starts to achieve sales.

Corporate Mission

The mission of Paychest is to grow steadily and become a premier environmental business incubator and holding company. Assuming the fulfillment of its projected working capital requirements, the Company's financial objective is to achieve on-going revenue per acquired technology after all costs have been recouped.

Our business strategy is to enhance the Company's value primarily through the acquisition of licenses or technologies, development and commercialization in those areas where there is demonstrable and significant environmental benefit alongside good potential earnings. To achieve this we look for technologies where product demand is

- evidenced
- stable
- sizable
- uncompromised by the licensed technology being introduced
- economical

and where there is existing infrastructure that will support getting the product to market.

We believe this strategy delivers significant value and reduces the risks associated with bringing new non-polluting and environmentally friendly products to market.

Unlike companies that research new technologies and products from scratch our focus is to license or acquire technologies that have been used in some form to eliminate and manage the many risks that are associated with new technology development and commercialization.

Management's Objectives

Our objective is to grow steadily, executing each project in turn, and become a leading environmental products business. Assuming the fulfillment of its projected working capital requirements, the Company's financial objective is to achieve on-going revenue per technology asset after all costs have been recouped.

Licensing and Acquisition Strategy

The Company believes that the market for non-polluting and environmentally friendly technologies will continue to increase, especially with growing consumer awareness, increasing political motivation and increasing environmental regulation and tariffs.

The Company has made losses in each year of its history and is dependent on external funding to execute its business plan, and the Flushaway Project, until profits allow the Company to operate independently. In the current economic climate there is a risk the external funding, provided by external lenders, might be slowed or halted. This raises doubt over the Company's ability to sustain itself. While the Company continues to locate alternative and supplementary funding sources as a way of mitigating this risk there is no guarantee that other sources of funding will be forthcoming. If funding stopped and no alternative funding was put in place the Company would not be able to continue.

The Company anticipates carrying out some research, development and production implementation work as it moves beyond the initial products of sanitary pads and liners into the next range of products to be launched.

No purchase or sale of plant is anticipated as we expect this cost will continue to be carried by our manufacturing partner, Xinpro Manufacturing.

Any increase in employee headcount will come primarily by the increase in sales staff and, to a lesser degree, from co-ordination activities.

B. Managements Discussion and Analysis of Financial Condition and Results of Operations

The Company is not obliged to complete this section (b) but has done so in part as some sections are believed to be relevant as the Company starts to make sales.

The Company has made losses in each year of the last two fiscal years as it has completed research and implementation improvements in the Flushaway and Mibella product range.

Looking forward, the Company is now focusing its efforts on making product sales and anticipates that with the associated cash flow and profit from the product sales the Company expects to quickly become self sustaining.

The primary uncertainties for the business going forward are ensuring funding is in place for marketing, purchase order finance and accounts receivable finance that will be needed for a segment of the customer group, and the Company's ability to scale fast enough as demand for the product grows. While the Company and its manufacturing partner, Xinpro Manufacturing, have spent a significant amount of time and effort on amending the product design and manufacturing process to ensure scalability, the Company does not have the resources to thoroughly test its scalability plans.

Liquidity has mostly come from our lenders who have provided loans to the Company. With the current issued and outstanding the Company needs to be cautious increasing the authorized common stock further in irreparably damaging the market liquidity of the Common Stock.

The Company does not have any material commitments for capital expenditures. However, as sales grow, the Company may exercise an option to acquire Xinpro to increase oversight and repatriate profit.

There are no known trends, events or uncertainties that have had or that are expected to have a material impact on the net sales or revenues, or income.

The Company does not foresee elements of income (or loss) that do not arise from continuing operations.

The women's sanitary product range is not effected by seasonality and is relatively unaffected by economic conditions.

C. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements

Part E Issuance History

ITEM 17. LIST OF SECURITIES OFFERINGS AND SHARES ISSUED FOR SERVICES IN PAST TWO YEARS

None

Part F Exhibits

ITEM 18. MATERIAL CONTRACTS

The Company has no material contracts that will be required of or performed by it that are not in the normal course of business.

ITEM 19. ARTICLES OF INCORPORATION AND BYLAWS

The Company's Articles of Incorporation and Bylaws are attached as Exhibit A.

ITEM 20. PURCHASE OF EQUITY SECURITIES BY ISSUER AND AFFILIATED PURCHASERS

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Total Number of Shares Purchased	Average Price Paid per 1000 Shares	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan
Nov 15, 12 to Nov 18, 12	100,000,000	\$0.1362	100,000,000	
Nov 22, 12 to Dec 5, 12	100,000,000	\$0.10	100,000,000	100,000,000*
Total	200,000,000	\$0.1181	200,000,000	

The Share Buyback was announced November 14, 2012

* Subsequently in February 2012 the Company purchased a further 100,000,000 shares.

ITEM 21. ISSUERS CERTIFICATION

See next page

ITEM 21. ISSUERS CERTIFICATION

CERTIFICATION

I, Peter Coorey, President & CEO of PayChest, Inc., hereby certify that:

- ☐ I have reviewed this Annual Disclosure Statement of PayChest, Inc.;
- ☒ Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
- ☒ Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: 17 MARCH 2012



Peter Coorey
President PayChest Inc.

Balance Sheet

(Unaudited)

	Year Ending	
	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
<u>ASSETS</u>		
Current Assets		
Cash	-	-
Advance	\$200,000	\$200,000
Total Current Assets	<u>200,000</u>	<u>200,000</u>
Equipment and Intellectual Property – Note 2	474,314	474,314
Flushaway Goodwill and Marketing Asset	5,000,000	5,000,000
Equity Investments, net – Note 2	2,146,299	2,146,299
Total Assets	<u>\$7,820,613</u>	<u>\$7,820,613</u>
<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>		
Current Liabilities		
Accounts Payable	\$413,673	\$478,265
Non Current Liabilities	5,600,000	5,600,000
Total Liabilities	<u>6,013,673</u>	<u>6,078,265</u>
Stockholders Equity		
Common Stock Issued and outstanding on		
Dec 31, 2011 are 27,785,264,936	22,440,199	21,890,331
Preferred Stock Issued and outstanding on		
December 31, 2011 are 100,920,000	1,020,000	1,000,000
Paid in Capital	25,087,892	25,087,892
Accumulated Deficit	(46,741,151)	(46,235,875)
Total Stockholders Equity	<u>1,806,940</u>	<u>1,742,348</u>
Total Liabilities and Stockholders' Equity	<u>\$7,820,613</u>	<u>\$7,820,613</u>

Profit and Loss Statement

(Unaudited)

	Year Ending	
	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Income		
Sales	<u>\$0</u>	<u>\$0</u>
Operating Expenses		
Sales and Marketing Expenses	-	-
General and Administrative	505,276	756,857
Depreciation	<u>-</u>	<u>-</u>
Total Expenses	<u>505,276</u>	<u>756,857</u>
Operating Loss	(505,276)	(756,857)
Other Revenue		
Dividend Income	-	-
Impairment Loss	<u>-</u>	<u>-</u>
(Loss) before Provision	<u> </u>	<u> </u>
for Income Taxes	<u>\$(505,276)</u>	<u>\$(756,857)</u>
Basic and Diluted		
(Loss) per Share	<u>\$0.00</u>	<u>\$0.00</u>
Number of Common Shares	<u>27,785,264,936</u>	<u>22,250,331,340</u>

a = Less than (\$0.01) per share

The accompanying notes are an integral part of these statements

Consolidated Statement of Stockholders Equity

(Unaudited)

	Common Stock		Preferred Stock		Treasury Stock	Accumulated (Deficit)	(Previous Reporting Std)	(New Reporting Standard)	
	Shares	Amount	Shares	Amount			Total Equity	Paid in Capital	Total Equity
Balance, May 4, 2000 (Inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (Loss)						(4,561)	(4,561)		(4,561)
Balance, December 31, 2000						(4,561)	(4,561)		(4,561)
Net (Loss)						(36,850)	(36,850)		(36,850)
Balance, December 31, 2001						(41,411)	(41,411)		(41,411)
Net (Loss)						(43,782)	(43,782)		(43,782)
Balance, December 31, 2002						(85,193)	(85,193)		(85,193)
Common Shares issued to founders for services	2,600,000,000	2,600,000					2,600,000	(2,390,470)	209,530
Common Shares issued for Equity investment	5,000,000,000	5,000,000					5,000,000	11,678,098	16,678,098
Paid In Capital							30,196,902	30,196,902	30,196,902
Net (Loss)						(45,919,940)	(45,919,940)		(45,919,940)
Balance, December 31, 2003	7,600,000,000	7,600,000	-	-	-	(46,005,133)	(8,208,231)	39,484,530	1,079,397
Common Shares issued for Cash	3,154,300,000	3,154,300					3,154,300	(2,700,245)	454,055
Common Shares issued for Service	1,468,714,285	1,468,714					1,468,714	(479,324)	989,390
Common Shares issued for Equity investment	550,000,000	550,000					550,000	1,289,590	1,839,590
Net (Loss)						(2,236,057)	(2,236,057)		(2,236,057)
Balance, December 31, 2004	12,773,014,285	12,773,014	-	-	-	(48,241,190)	(5,271,274)	37,594,551	2,126,375
Common Shares issued for Service	500,000,000	500,000					500,000	(400,000)	100,000
Common Shares issued for Cash	1,726,985,715	1,726,986					1,726,986	(1,586,146)	140,840
Net (Loss)						(523,653)	(523,653)		(523,653)
Balance, December 31, 2005	15,000,000,000	15,000,000	-	-	-	(48,764,843)	(3,567,941)	35,608,405	1,843,562
Common Shares issued for Acquisition	2,000,000,000	2,000,000					2,000,000		2,000,000
Common Shares issued for Cash	2,885,000,000	2,885,000					2,885,000		2,885,000
Common Shares issued for Service	2,661,534,385	2,661,534					2,661,534		2,661,534
Common Share Settlement	(1,500,000,000)	(1,500,000)					(1,500,000)		(1,500,000)
Preferred non trading stock		200,000					200,000		200,000
Paid In Capital							-	(5,411,503)	(5,411,503)
Net (Loss)						(301,410)	(301,410)		(301,410)
Balance, December 31, 2006	22,546,534,385	21,246,534	-	-	-	(49,066,253)	2,377,183	30,196,902	2,377,183
Accumulated Deficit Adjustment (Note 2)						3,905,213	3,905,213		3,905,213
Preferred non trading stock		200,000					200,000		200,000
Common Share Adjustment - Stock Audit	(4,105,213,000)	(4,105,214)					(4,105,214)	820	(4,104,394)
Net (Loss)						(8,522)	(8,522)		(8,522)
Balance, December 31, 2007	16,941,321,385	17,341,320	-	-	-	(45,169,562)	2,368,661	30,197,722	2,369,480

Stockholders Equity continued

	Common Stock		Preferred Stock		Treasury Stock	Accumulated (Deficit)	(Previous Reporting Std)	(New Reporting Standard)	
	Shares	Amount	Shares	Amount			Total Equity	Paid in Capital	Total Equity
Preferred non trading stock		200,000					200,000		200,000
Common Shares Paid for Notes	1,150,000,000	1,150,000			(1,150,000)		-	(1,150,000)	-
Common Shares for Service	1,559,009,955	1,559,009			(1,559,009)		-	(1,759,829)	(200,820)
Net (Loss)						(98,591)	(98,591)		(98,591)
Balance, December 31, 2008	19,650,331,340	20,250,329	-	-	(2,709,009)	(45,268,153)	2,470,070	27,287,893	2,270,070
Adjustment for shares not returned In 2006	2,200,000,000	2,200,001					2,200,001	(2,200,001)	-
Common Share delivery recorded in prior year					2,709,009		2,709,009		-
Preferred non-convertible non-trading stock reclassification for 2005-7		(200,000)	100,000,000	200,000			-		-
Preferred convertible non-trading stock reclassification for 2006-7		(400,000)	400,000	400,000			-		-
Preferred convertible non-trading stock			200,000	200,000			200,000		200,000
Net (Loss)						(210,865)	(210,865)		(210,865)
Balance, December 31, 2009	21,850,331,340	21,850,330	100,600,000	800,000	-	(45,479,018)	7,368,215	25,087,892	2,259,205
Common Shares Paid for Debts	400,000,000	40,000					40,000		40,000
Preferred convertible non-trading stock			200,000	200,000			200,000		200,000
Net (Loss)						(756,857)	(756,857)		(756,857)
Balance, December 31, 2010	22,250,331,340	21,890,330	100,800,000	1,000,000	-	(46,235,875)	6,851,358	25,087,892	1,742,348
Common Shares Paid for Debts	160,919,311	16,092					16,092		16,092
Adjustment following DTC share certificate audit	124,014,285	12,401					12,401		12,401
Common shares bought back and retired	(200,000,000)	(23,624)					(23,624)		(23,624)
Preferred convertible non-trading stock converted to common shares	5,450,000,000	545,000	(545,000)	(545,000)			-		-
Preferred convertible non-trading stock issued in exchange for debt			400,000	300,000			300,000		300,000
Preferred convertible non-trading stock issued in exchange for debt			90,000	90,000			90,000		90,000
Preferred convertible non-trading stock			175,000	175,000			175,000		175,000
Net (Loss)						(505,276)	(505,276)		(505,276)
Balance, December 31, 2011	27,785,264,936	\$22,440,199	100,920,000	\$1,020,000	-	\$(46,741,151)	\$6,915,952	\$25,087,892	\$1,806,940

Cash Flow Statement

(Unaudited)

	Year Ending	
	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Operating Activities		
Net (Loss)/Income	\$(505,276)	\$(756,857)
Adjustments to reconcile Net (Loss)/Income:-		
Depreciation		
Advance	-	(200,000)
Accounts Payable	(64,592)	115,359
Non Current Liability	-	600,000
Net Cash (Used) by Operating Activities	<u>(569,868)</u>	<u>(241,498)</u>
Investment Activities		
Equity Investments	-	-
Capital Change	-	-
Purchase of Equipment	-	-
Net Cash (Used) by Investment Activities	<u>-</u>	<u>-</u>
Financing Activities		
Shares Issued to Reduce Debt	593,492	40,000
Proceeds from Sale of Non-Trading Convertible Preferred Shares	-	-
Purchase and retirement of common shares	(23,624)	200,000
Net Cash Provided by Financing Activities	<u>569,868</u>	<u>240,000</u>
Net Increase/(Decrease) in Cash	-	(1,498)
Cash, Beginning of Period	-	-
Cash, End of Period	<u>\$-</u>	<u>\$(1,498)</u>

PayChest, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(December 31, 2011)

Prepared and Filed March 15th 2012

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

This section should be read in conjunction with Current Information for Paychest, Inc. at the beginning of this report.

PayChest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to PayChest, Inc. after acquiring the controlling interest in PayChest, Inc. an Oregon corporation.

Accordingly, substantial restatement may be made to these statements to appropriately account for and present the spin-off and could result in substantial dilution of booked equity per share to shareholders acquiring investment in PayChest subsequent to that date.

On 15th October 2006, Genfin acquired a controlling interest in PayChest with a 100 million non-trading non-convertible preferential voting share block in the company. PayChest has received \$200,000 in equipment for the preferential stock. During 2007, management undertook an extensive stock audit resulting in reduction of the total outstanding shares. Additionally the company also reduced it's authorized share count to 25,000,000,000.

In January 2008, the company issued 2,709,009,995 shares towards the elimination of a long term note of \$115,000 and issuing 1,599,990,095 shares for investor relations, accounting services, transfer services and management consulting services.

On May 7th, 2008, the company acquired the exclusive worldwide rights to Flushaway(TM), a uniquely patented range of absorbent biodegradable and flushable products. PayChest provided a note payable of \$5,000,000 (US) to Consolidated Ecoprogress Technology Inc. over a 4-year period, for the delivery of these contracts and further fulfill contract payment obligations to Consolidated Ecoprogress of 5% royalties on sales.

The company continues to own a financial payment solutions and is reviewing how to realize shareholder value from this asset.

On February 1st, 2010 the Company issued a Convertible Note for \$600,000 to Rich Capital International Enterprise Ltd of Hong Kong for services. The Note attracts 5% simple interest commencing September 1st 2010. Payments for interest and principal commence only when Company revenues reach \$3,000,000. On or after September 1, 2012 the recipient can convert payments due into common shares at 75% of the market price at that time. The maturity date of the Note is September 1, 2015.

On February 1st, 2010 preferred shares were sold for \$200,000 the proceeds of which were advanced to fund operational activities of the business and reduce the burden on the Lender and management, who have exclusively been funding the Company to date.

In October 2010 a new management team led by the new President, Mr. Peter Coorey, took over the running of the Company. Management has been reviewing the financial statements of the Company and has concerns over past valuations reported in financial reports, which can not be substantiated at this time.

A review highlighted the need for administration corrections in the categorization of shares issued. This makes no material difference to the shares issued and outstanding but is more accurate in its accounting and presentation of shares.

In December 2010 the Company agreed terms with Xinpro Manufacturing of China for the set-up and operation of an exclusive production facility for the production of Flushaway®. This Agreement became effective in March 2011 upon set up of the production facility and the completion of the first film production machine.

A default judgment awarded in April 2006 against Mellon Research Inc. (now Paychest) for \$195,000 lapsed in April 2011 and has no further effect

In June 2011 the Company completed a stock certificate audit with the Depository Trust Company. The audit identified an increase in the number of shares to be reported and an adjustment increase was made of 124,014,285 common shares, although no new shares were issued.

In July 2011 the Company entered into an Agreement with Transfer Online for transfer agent services.

In September 2011 the Company completed settlement on a \$4,000,000 default judgment that was awarded in March 2009 when the Company was under prior management.

In October 2011, LIG the group of investors arranged or led by Liani Holdings Ltd. exchanged \$300,000 of debt for convertible preferred shares of the Company, convertible at \$0.0001 no earlier than 12 months from the date of issue. The preferred shares carry no coupon.

In December 2011 the Company appointed Mibus, Inc. as its exclusive sales and marketing agent for North America.

In December 2011 the Company paid Cardiff Bay Holdings Ltd \$90,000 in Preferred Class B Shares as an advance payment to continue the licensing of the flushable products technology. The Agreement for this technology is reviewed in the first half of 2012.

In December 2011 the Company sold \$175,000 of Preferred Class B Shares using the proceeds to pay down debt and accounts payable.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The statements were prepared following generally accepted accounting principles of the United States of America, consistently applied.

Management Certification

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits.

Earnings (Loss) per Share

The basic earnings (loss) per share are calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share are calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Equipment

Equipment is stated at cost. Depreciation is computed using the straight-line method over their estimated useful lives ranging from five to seven years. Maintenance and repairs are charged to expense as incurred. Fixed assets consist of

	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Operating Equipment	474,314	474,314
Office Equipment	-	-
Equipment Net	<u>474,314</u>	<u>474,314</u>

The company continues to own a financial payment solutions and is reviewing how to realize shareholder value from this asset.

Other Assets – Equity Investments *

The company has invested in common stock and the related warrants of publicly traded companies through the issuance of cash and Company stock. These investments include oil and gas exploration rights the company issued stock for in June of 2006 for a 7 mile gas line in Kentucky, joint venture agreements and private company investments. Some of these entities are not reporting companies with the SEC. Therefore, financial information is not readily available.

New management is concerned about the valuation of this asset as supporting documentation has not been located at this time. Management will continue to use the valuation of prior years until investigations conclude. Prior years valuations made use of a best efforts attempt to value these thinly traded securities at fair value and is conducting fair value assessments for these investments. Following is the Company's summary for the Impaired Fair Value of these Investments:

	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Book Value	48,714,590	48,714,590
Gains		
Unrealized Loss	(46,568,291)	(46,568,291)
Adjustment to correct prior period		
Equipment Net	<u>2,146,299</u>	<u>2,146,299</u>

Flushaway Marketing Asset and Goodwill \$5,000,000

New management has concerns over the book value of equipment, equity investments and the unrealized loss for prior years. Supporting documentation for this has not been located at this time.

Revenue Recognition

Revenue is recognized on billed goods and services.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial

** Accumulated Deficit- adjustments to accumulated deficits have been measured against adjustments made during the stock audit.

Earnings Per Share

Basic earnings per share are computed by dividing net income by the average number of common shares outstanding during the period Diluted earnings per share takes into consideration the potentially dilutive effect of common stock equivalents, such as outstanding stock options and warrants, which if exercised or converted into common stock would then share in the earnings of the Company. In computing diluted earnings per share, the Company utilizes the treasury stock method and anti-dilutive securities are excluded.

The Company has no outstanding options or warrants. The Company has issued preferred convertible non-voting shares which are being used by new management to fund specific and discrete activities that will add value and help execute the business turnaround.

Stock Based Compensation

The Company accounts for its stock based compensation based upon provisions in SFAS No. 123, Accounting for Stock-Based Compensation. In this statement stock based compensation is divided into two general categories, based upon who the stock receiver is, namely: employees/directors and non-employees/directors. The employees/directors category is further divided based upon the particular stock issuance plan, namely compensatory and non-compensatory. The employee/directors non-compensatory securities are recorded at the sales price when the stock is sold. The compensatory stock is calculated and recorded at the securities' fair value at the time the stock is given. SFAS 123 also provides that stock compensation paid to non-employees be recorded with a value which is based upon the fair value of the services rendered or the value of the stock given, whichever is more reliable. The Company has selected to utilize the fair value of services rendered.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern,

which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has accumulated a loss of \$50,641,603 during its development stage. This raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Under new management operational costs and growth is being funded through its own resources and by a loan made available to the Company by LIG, a group of investors led by LiAni Holdings Ltd. Continued financial support will be re-assessed on a quarterly basis and reflected in the appropriate financial releases. There is no assurance that loans will continue beyond each quarter or that management can continue to find investors to cover the losses generated.

NOTE 4. STOCKHOLDERS' EQUITY

Common Stock

PayChest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to PayChest, Inc. in anticipation of acquiring the controlling interest in PayChest, Inc. an Oregon corporation.

On April 27, 2004 the Company executed a 200:1 forward stock split which has been retroactively applied to these statements and accompanying notes.

During the year 2003, the Company issued 2,600,000,000 post split common shares to its founders for \$221,604 cash and 5,000,000,000 common shares to acquire equity securities valued on the date of investment at \$46,875,000.

During 2004 the Company issued 3,154,300,000 common shares for \$441,981 cash in a Rule 504 offering and an additional 1,468,714,285 common shares for services valued at \$989,390. On December 15, 2004 the Company issued 500,000,000 common shares to acquire equity securities valued at \$1,600,000. On December 27, 2004, the Company issued 50,000,000 common shares to acquire equity securities valued at \$239,590.

During 2005 the Company issued 500,000,000 common shares for services valued at \$100,000 and 1,726,985,715 common shares for \$140,840 cash. The total issued and outstanding common stock at December 31, 2005 is 15,000,000,000 shares.

On February 6, 2006 the Company paid \$16,500 and issued 2,000,000,000 common shares valued at \$183,500 to acquire 60% ownership of PayChest, Inc. (Oregon) the Company. The company has subsequently acquired 100% of PayChest.

During the quarter ended June 30, 2006 the Company issued 2,885,000,000 common shares for \$303,000 cash.

On July 31, 2006 the Company received 100,000,000 of its own common shares at par value as a \$10,000 dividend from one of its equity investments. These shares have been canceled in this quarter and will reduce the issued shares accordingly.

During the quarter ended September 30, 2006 the Company issued 2,661,534,385 common shares for services valued at \$266,153 and received contributed capital of \$5,000. **

During the fourth quarter 2006, no new shares were issued and company management committed not to issue any new shares, until further notice. The company reduced the total outstanding share count by 1,500,000,000 shares as a result of renegotiated agreements for services previously rendered. Also during 2006 the Company issued 100,000,000 voting non-convertible shares.

As of February 20, 2007, the Company is authorized to issue 25,000,000,000 common shares with a par value of \$0.0001, 100,000,000 preferred voting, non-convertible shares.

During 2007, the Company continued its extensive audit and further returned an additional 1,905,213,000 shares to the treasury through and extensive stock audit. This was recorded incorrectly as 4,105,213,000 and an adjustment has been made during 2009 to adjust this. In addition, the company will use its non strategic assets, as a trade instrument to redeem more PayChest shares and return them to the treasury. Also in 2007 the Company started issuing preferred non-voting convertible shares. This Convertible class of preferred share is being used by new management to fund specific and discrete activities that will add value and help the Company execute its turnaround.

In January 2008, the company issued 2,709,009,995 shares towards the elimination of a long term note of \$115,000 and issuing 1,599,990,095 shares for investor relations, accounting services, transfer services and management consulting services.

In preparing the 2009 financial year end reports, a review of the Company financial and administrative records has been started under new management. Adjustments were made in the way preferred convertible non-voting shares were categorized although this made no material change to the count of shares issued and outstanding as published by the Company and as shown on its website. A separate adjustment for stock not returned in 2006 was made in the 2009 financial

year end report to account and confirm the Issued and Outstanding shares at 21,850,331,340; also as published on the companies website and reported in this financial statement.

In December 2010 the Company issued 400,000,000 shares to retire \$40,000 of debt for a loan and debt commencing 2007. The Company does not anticipate further shares being issued for debt.

In June 2011 the Company completed a stock certificate audit with the Depository Trust Company. The audit identified an increase in the number of shares to be reported and an adjustment increase was made of 124,014,285 common shares, although no new shares were issued.

During 2011 the Company paid \$16,092 issued 160,919,311 common shares to reduce debt with part of the Lender Group. The Company also bought back and retired 200,000,000 common shares at prices ranging from \$0.0001 to \$0.0002.

Under a 2011 agreement with LIG, the Company's lenders, and preferred shareholders converted 545,000 preferred shares at \$0.0001 resulting in 5,450,000,000 common shares being issued. As part of this in September 2011 the Company increased its authorized common shares to 28,000,000,000. 565,000 new preferred shares were also issued, 400,000 of which were to various parties that collectively are referred to as LIG. The proceeds were used to bring down debt.

In previous Company reports Paid In Capital was added directly into Total Equity. For this filing only, the Company presents both the previous method of reporting Paid in Capital (Previous Reporting Standard) and an alternative presentation method (New Reporting Standard) that separates Paid in Capital. Providing both standards allows the reader to reconcile to prior years while allowing the Company to transition to a more appropriate presentation of the Paid In Capital so the Total Equity (new presentation) can be reconciled to the Balance Sheet.

NOTE 5. FUTURE STOCK CONSIDERATIONS

The general shareholder consensus is to avoid a reverse stock split. Management concurs because it reduces shareholder value and confidence. Management will not use a reverse stock split to consolidate the issued shares. The consolidation will be achieved through further negotiation, share swap, buyback and other positive means. However, a reverse split will be necessary when PayChest is ready to advance to a higher trading exchange, such as the Nasdaq.

NOTE 6. PROVISION FOR INCOME TAXES

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>
Deferred Tax Asset		
Valuation account		
Current taxes payable	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The tax provision at FYE 2010 is \$0.00.

Below is a chart showing the federal net operating losses and the years in which they will expire:

<u>Year</u>	<u>Expiration</u>	<u>Amount</u>
2000	2020	4,561
2001	2021	36,850
2002	2022	43,782
2003	2023	45,919,940
2004	2024	2,236,057
2005	2025	523,653
2006	2026	301,410
2007	2027	3,761
2008	2028	98,591
2009	2029	210,865
2010	2030	756,857
2011	2031	505,276
Total NOL		<u>50,641,603</u>

Note: Management is concerned about the validity of many of these reported losses and at this time has only been able to validate losses for fiscal years 2009 onwards.

NOTE 7. THE EFFECT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Changes to GAAP are established by the Financial Accounting Standards Board (“FASB”) in the form of accounting standards updates (“ASUs”) to the FASB’s Accounting Standards Codification. The Company considers the applicability and impact of all recent ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company’s consolidated financial position and results of operations.

In June 2011, the FASB issued ASU 2011-05, “Presentation of Comprehensive Income (Topic 220).” ASU 2011-05 requires that all changes in stockholders’ equity be presented either as a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued ASU 2011-12 which defers certain reclassification requirements within ASU 2011-05. This guidance is effective for interim and annual periods beginning after December 15, 2011. The guidance is limited to the form and content of the financial statements and disclosures, and the adoption of this guidance will not have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement (Topic 820).” ASU 2011-04 will result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. This guidance is effective for interim and annual periods beginning after December 15, 2011. The adoption of this standard will not have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

Exhibit A – Articles of Incorporation and Bylaws

BY-LAWS
OF
PAYCHEST, INC.

ARTICLE I. NAME AND LOCATION

SECTION 1. The name of this corporation shall be PayChest, Inc..

SECTION 2. The Principal office of the corporation in the State of Arizona shall be:

c/o Keytlaw LLC
3001 E. Camelback Rd, Suite 130
Phoenix
AZ 85016

and its registered office in the State of Arizona shall be

Keytlaw LLC
3001 E. Camelback Rd, Suite 130
Phoenix
AZ 85016

The corporation may have such other offices, either within or without the State of Arizona as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II. SHAREHOLDERS

SECTION 1. Shareholder Meeting. Shareholder meetings will be held on the day and time designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the shareholder meeting shall be a legal holiday in the State of Arizona, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as convenient.

SECTION 2. Special Meeting. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by resolution of the Board of Directors or by the President at the request of the holders of not less than a majority of the votes of all the outstanding preferred and common shares of the corporation entitled to vote on any issue proposed to be considered at the meeting, provided said shareholders sign, date and deliver to the corporate Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Only business within the purpose or purposes described in the meeting notice required by Article II, Section 5 of these By-Laws may be conducted at a special shareholders meeting. In addition, such meeting may be held at any time without call or notice upon unanimous consent of shareholder votes.

SECTION 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Arizona unless otherwise prescribed by statute as the place of meeting for any annual meeting or for any special meeting of shareholders. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or without the

State of Arizona, unless otherwise prescribed by statute, as the place for the holding of such meeting.

SECTION 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid. Notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called. The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

SECTION 5. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, seventy (70) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than seventy (70) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 6. Shareholders' List. After fixing a record date, the officer or agent having charge of the share ledger of the corporation shall prepare an alphabetical list of all persons entitled to notice and to represent shares at such meeting, or any adjournment thereof, and said list shall be arranged by voting group and shall show the address of and the number of share votes held by each shareholder or representative. The shareholders' list shall be available for inspection and copying during usual business hours by any shareholder beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice. Such list shall be available during the meeting and any shareholder, his agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment thereof. The original stock transfer book shall be prime facie evidence as to who are the shareholders entitled to examine such list or transfer book or to vote at any meeting of shareholders.

SECTION 7. Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is

one person who is, or who represents by proxy, common or preferred shareholder(s) who are entitled to be voted at the meeting. The shareholder(s) present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

SECTION 8. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting.

SECTION 9. Voting of Shares. Each outstanding common share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders, and each preferred shareholder shall be entitled to vote the designated number of votes per preferred share as described on the preferred share certificate or in the preferred share agreement, for and upon each matter submitted to a vote at a meeting of shareholders, each preferred share vote being equal to a common share vote. The affirmative vote of a majority of the votes represented at a shareholders' meeting at which a quorum is present shall be the act of the shareholders of the corporation.

SECTION 10. Voting of Share by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the By-Laws of such corporation may preserve, or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservatory may be voted by him either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

SECTION 11. Informal Action by Shareholders. Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors except as otherwise herein provided.

SECTION 2. Number, Tenure and Qualifications. The number of Directors of the corporation shall be a minimum of one (1). Each Director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified. Directors may be re-elected. The Directors need not be a resident of the State of Arizona or a shareholder.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as the annual meeting of shareholders. The Board of Directors may also provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. Notice. Notice of any special meeting shall be given at least five (5) days previously thereto by notice personally given or mailed to each Director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened, and does not thereafter vote for or assent to action taken at the meeting.

SECTION 6. Quorum. A majority of the number of Directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 7. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the corporation in any other capacity and receiving compensation therefore.

SECTION 9. Presumption of Assent. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 10. Informal Action by Board of Directors. Unless otherwise provided by law, any action required to be taken at a meeting of the Directors, or any other action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by each director, and included in the minutes or filed with the

corporate records reflecting the action taken.

ARTICLE IV. OFFICERS

SECTION 1. Number. The officers of the corporation shall be Peter Coorey (President), 1B Glamour Court, 1 Discovery Bay Road, Lantau, Discovery Bay, Hong Kong SAR, Peoples Republic of China; Colin Lu (Secretary), Guoji Dasha, Suite 606, 88 Guang Xin Lu, Putuo, Shanghai, Peoples Republic of China; Vivian Phillips (Director), Room 104, No. 3 Building, Horizon SIP, 188 Xinghai Jie, Suzhou, Peoples Republic of China who are to serve as directors until the first annual meeting of shareholders or until their successor(s) is elected and qualified.

SECTION 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until he shall resign or shall have been removed in the manner hereinafter provided. The initial officers may be elected at the first meeting of the Board of Directors.

SECTION 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment, the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the Board of Directors. He may sign certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these By-Laws, to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice-President. The Board of Directors may determine when there is a need for a Vice-President or Vice- Presidents. In the absence of the President or in event of his death, unavailability of or refusal to act, a Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. A Vice-President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 7. Secretary. The Secretary shall: (a) keep the minutes of the shareholders and of the Board of Directors meetings in one or more books provided for the purpose; (b) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly

authorized; (c) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) have general charge of the stock transfer books of the corporation; (f) have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (g) in general perform all of the duties incident to the Office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Secretary shall give a bond for the faithful discharge of his duties in such sum with such surety or sureties as the Board of Directors shall determine.

SECTION 8. Salaries. The salaries, compensation and other benefits, if any, of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the corporation.

ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President and by the Secretary or by such other officers authorized by law and by the Board of Directors so to do. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issuance, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefore upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

SECTION 2. Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, and on surrender for cancellation of the certificate of such shares, and also, any transfer is subject to the limitations set forth in the Articles of Incorporation, reference to which is hereby made. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VII. FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE VIII. DIVIDENDS

The Board of Directors may from time to time declare, and the corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE IX. SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

ARTICLE X. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any shareholder or Director of the corporation under the provisions of these By-Laws or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE XI. AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority vote of the Board of Directors at any annual Board of Directors meeting or at any special Board of Directors meeting when the proposed amendment has been set out in the notice of such meeting. These By-Laws may also be altered, amended or repealed by a majority vote of the shareholders notwithstanding that these By-Laws may also be amended or repealed by the Board of Directors.

AZ CORPORATION COMMISSION
FILED

OCT 24 2008

ARTICLES OF AMENDMENT

A.R.S. §10-1006

FEE \$25.00 A.R.S. §122.A

FILE NO. 09489602

Mellon Research, Inc.
[Name of Corporation]

1. The name of the corporation is Mellon Research, Inc.
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. ☒ The amendment does not provide for an exchange, reclassification or cancellation of issued shares.
☐ Exhibit A contains provisions for implementing the exchange, reclassification or cancellation of issued shares provided for therein.
☐ The amendment provides for exchange, reclassification or cancellation of issued shares. Such actions will be implemented as follows:

4. The amendment was adopted the 23 day of October, 2008
5. ☒ The amendment was adopted by the ☐ incorporators, ☒ board of directors without shareholder action and shareholder action was not required.
☐ The amendment was approved by the shareholders. There is (are) _____ voting groups eligible to vote on the amendment. The designation of voting groups entitled to vote separately on the amendment, the number of votes in each, the number of votes represented at the meeting at which the amendment was adopted and the votes cast for and against the amendment were as follows:

The voting group consisting of _____ outstanding shares of _____ [class or series] stock is entitled to _____ votes. There were _____ votes present at the meeting. The voting group cast _____ votes for and _____ votes against approval of the amendment. The number of votes cast for approval of the amendment was sufficient for approval by the voting group.

ARS §10-140 requires that changes to corporation(s) be executed by an officer of the corporation, whose file is to be changed.

CF: 0040
Rev: 09/05

PAID
60.00

The voting group consisting of _____ outstanding shares of _____ [class or series] stock is entitled to _____ votes. There were _____ votes present at the meeting. The voting group cast _____ votes for and _____ votes against approval of the amendment. The number of votes cast for approval of the amendment was sufficient for approval by the voting group.

DATED as of this 23 day of October, 2008

Mallon Research, Inc.
[name of corporation]

By _____
Marid Pino President
[name] [title]

Exhibit A

October 23, 2006

Amending Article

1. Changing the existing name of Mellon Research, Inc. to Paychest, Inc.

Mellon Research, Inc.
6670 N. 48th St.
Paradise Valley, AZ 85253

By: _____

Maria Pina *President*
Print name Title

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISIONPhoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347PROFIT
CERTIFICATE OF DISCLOSURE
A.R.S. §10-202.D

Mellon Research, Inc.

EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, incorporator and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction?; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes _____ No X

B IF YES, the following information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or case number of case.

C. Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes _____ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated. (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is March 31.

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY Michele Negrete

BY _____

PRINT NAME Michele Negrete

PRINT NAME _____

TITLE IncorporatorDATE May 3, 2000TITLE Incorporator

DATE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

CP: 0022 - Business Corporations

Rev: 2/98

DO NOT PUBLISH
THIS SECTION

ARTICLE 1

The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated" or an abbreviation of any of these words. If you are the holder or assignee of a trademark or trademark, attach Declaration of Trademark Holder form.

ARTICLE 3

The name cannot imply that the corporation is organized for any purpose other than the usual business indicated in this article.

ARTICLE 4

The total number of authorized shares cannot be "Zero" or "Not Applicable."

ARTICLE 5

May be in care of the statutory agent.

ARTICLE 6

The statutory agent address cannot be a P.O. Box. It must be a physical address in Arizona. The agent must sign the Articles or provide a consent to acceptance of appointment.

EXPEDITED
AZ CORP COMMISSION
FILED

ARTICLES OF INCORPORATION

OF

MAY 3 2 04 PM '00

Mellon Research, Inc.

APPR. DATE: (An Arizona Business Corporation)
TERM DATE: 05-03-00
DATE: 05-03-00 11:20 AM

1. Name. The name of the Corporation is Mellon Research, Inc.

2. Purpose.

The purpose for which this Corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the laws of Arizona, as they may be amended from time to time.

3. Initial Business.

The Corporation initially intends to conduct the business of statistical research service

4. Authorized Capital.

The Corporation shall have authority to issue 100,000,000 shares of Common Stock.

5. Known Place of Business. (In Arizona)

The street address of the known place of business of the Corporation is:

7944 East Beck Lane, Suite 200

Scottsdale, AZ 85260

6. Statutory Agent. (In Arizona)

The name and address of the statutory agent of the Corporation is:

National Registered Agents, Inc.

815 N. First Avenue, Suite 4

Phoenix, AZ 85003

**DO NOT PUBLISH
THIS SECTION**A minimum of 1
director is required.**7. Board of Directors**

The initial board of directors shall consist of 1 director(s). The name(s) and address(es) of the person(s) who is(are) to serve as the director(s) until the first annual meeting of shareholders or until his(her)(their) successor(s) is(are) elected and qualifies is(are):

Name: Dorothy FrankAddress: 7944 East Beck Lane, Suite 200City, State, Zip: Scottsdale, AZ 85260

Name: _____

Address: _____

City, State, Zip: _____

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws.

8. Incorporators

The name(s) and address(es) of the incorporator(s) is (are):

Name: Michele E. NegreteAddress: 2030 Main Street, Suite 1020City, State, Zip: Irvine, CA 92614

ARTICLE 3
A minimum of 1
incorporator is
required. All
incorporators must
sign both the Articles
of Incorporation and
the Certificate of
Disclosure.

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

9. Indemnification of Officers, Directors, Employees and Agents

The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

10. Limitation of Liability

To the fullest extent permitted by the Arizona Revised Statutes, as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the Corporation occurring prior to such repeal, amendment or modification.

DO NOT PUBLISH
THIS SECTIONPhone and fax
numbers are optionalThe agent may
consent to the
appointment by either
executing the consent,
attaching a cover
letter, or if paying by
check, executing the
checkThe Articles must be
accompanied by a
Certificate of
Disclosure, executed
within 30 days of
delivery to the
Commission, by all
incorporators.EXECUTED this 3rd day of May, 192000 by all of the
incorporators.Signed: Michele E. NegreteMichele E. Negrete

(Print Name Here)

Michele E. Negrete

(Print Name Here)

PHONE 800-562-6439

FAX 800-562-6504

Acceptance of Appointment By Statutory Agent

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the
above-named corporation effective this 3rd day of May, 192000
National Registered Agents, Inc.Signed: C. BacletC. Baclet, Vice President

(Print Name Here)

C. Baclet

STATE OF ARIZONA
ACC/FAX
DATE FILED

MAR 15 2004

DATE APPR 7-15-04

TERM

BY [Signature]

0948960-2

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
MELLON RESEARCH, INC.

Pursuant to the provisions of §10-1003 and 10-1008, et seq, Arizona Revised Statutes, the undersigned corporation adopts the attached Amendment to Articles of Incorporation of MELLON RESEARCH, INC.

There is one voting group, consisting of common stock with 32,000,000 shares outstanding, each share having one vote. There were 32,000,000 shares and 32,000,000 votes indisputably represented at the shareholders meeting held February 3, 2004, and all shares were voted in favor of the amendments, so that the number cast for the amendments by the only voting group was sufficient for approval by that voting group.

DATED this 3rd day of February, 2004

MELLON RESEARCH, INC.

By: [Signature]

MARIO PINO, PRESIDENT

**AMENDMENTS TO ARTICLES OF INCORPORATION
OF MELLON RESEARCH, INC.**

The Articles of Incorporation of Mellon Research, Inc. shall be amended as follows:

ARTICLE FIVE shall read as follows:

The street address of the known place of business of the Corporation is:
2416 E. Camelback Rd., Suite 700, Phoenix, AZ 85016.

ARTICLE SIX shall read as follows:

The name and address of the statutory agent of the Corporation is:
Resident Agents-Arizona LLC, 4643 E. Thomas Rd., Suite 9, Phoenix, AZ 85018.

ARTICLE SEVEN shall read as follows:

The board of directors shall consist of one (1) director. The name and address of the person who is to serve as the director until the first annual meeting of shareholders or until his successor is elected and qualifies is:

MARIO PINO, 2416 E. Camelback Rd., Suite 700, Phoenix, Az 85016

EXECUTED this 3rd day of February, 2004



MARIO PINO, PRESIDENT

LAW OFFICES
c/o MILLIKEN, P.C.
4643 EAST THOMAS ROAD, SUITE 9
PHOENIX, ARIZONA 85018
(802) 840-9140
FAX (802) 532-7015

March 8, 2004

Re: MELLON RESEARCH, INC..

RESIDENT AGENTS-ARIZONA, LLC, having been designated to act as Statutory Agent for MELLON RESEARCH, INC. hereby consents to act in that capacity until removal or resignation is submitted in accordance with Arizona Statutes.

RESIDENT AGENTS -ARIZONA, LLC

By: 
Sharon Michael, Vice President - a designated officer of Resident Agents-
Arizona, according to the Operating Agreement.

Dated: MARCH 9, 2004